

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 5, 1992

Jan W. Baran, Esquire Wiley, Rein & Fielding 1776 K Street, NW Washington, DC 20006

RE: MUR 2314
National Republican
Senatorial Committee
James L. Hagen, as treasurer

Dear Mr. Baran:

On March 10, 1992, the Federal Election Commission ("the Commission") found probable cause to believe that the National Republican Senatorial Committee ("the NRSC") and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 110.6(d)(2) by failing to report as contributions from the NRSC \$71,627.33 in earmarked contributions transmitted to Jim Santini for Senate through the 1986 Direct-To operation, and by failing to report as contributions from the NRSC \$32,575 in earmarked contributions transmitted to Jim Santini for Senate by means of NRSC checks through the 1986 Majority '86 operation. Commission also found probable cause to believe that the NRSC and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1 by failing to report as contributions to Jim Santini for Senate unreimbursed costs related to unsuccessful solicitations for the portion of the 1986 Direct-To Auto program which solicited contributions to Jim Santini for Senate, and solicitation costs for the Direct-To and Majority '86 programs related to contributions which were successfully redesignated, but not including the unsuccessful costs of general party fundraising in programs where the contributors were called back. Further, the Commission found probable cause to believe that the NRSC and James L. Hagen, as treasurer, violated 2 U.S.C. § 441a(h) with respect to the above unreported contributions. The Commission determined to take no further action against the NRSC and James L. Hagen, as treasurer, with regard to any violations of 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1 as a result of failures to report as contributions to Jim Santini for Senate costs related to solicitations for the Trust and Miscellaneous Conduiting operations.

On the above date the Commission considered other recommendations made by the General Counsel, but there was an insufficient number of votes to find probable cause to believe that the NRSC and James L. Hagen, as treasurer, violated 2 U.S.C.

Jan W. Baran, Esquire page 2

§ 434(b) and 11 C.F.R. § 110.6(d)(2) by failing to report as contributions from the NRSC \$72,055 in earmarked contributions transmitted to Jim Santini for Senate through the second version of the 1986 Direct-To Auto operation, \$5,600 in earmarked contributions transmitted to Jim Santini for Senate by means of NRSC checks through the 1986 Trust operation, or \$28,295.54 in earmarked contributions transmitted to Jim Santini for Senate by means of NRSC checks through the 1986 Miscellaneous Conduiting operation.

The Commission has a duty to attempt to correct the above violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission approved on April 28, 1992, in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Anne A. Weissenborn, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Lawrence M. Noble General Counsel

Enclosure Conciliation Agreement